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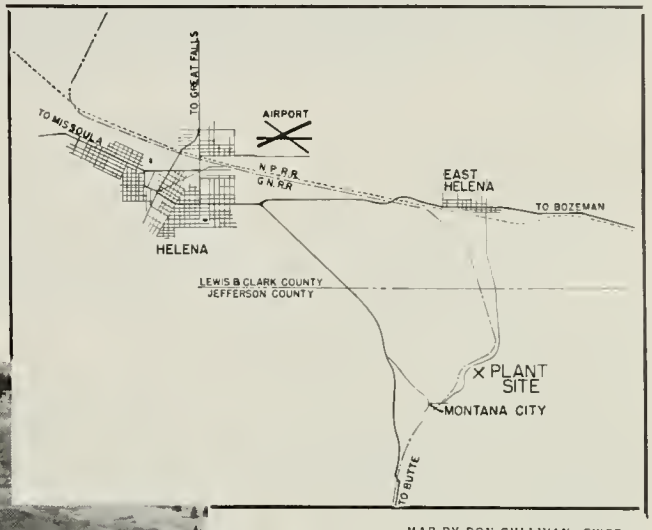
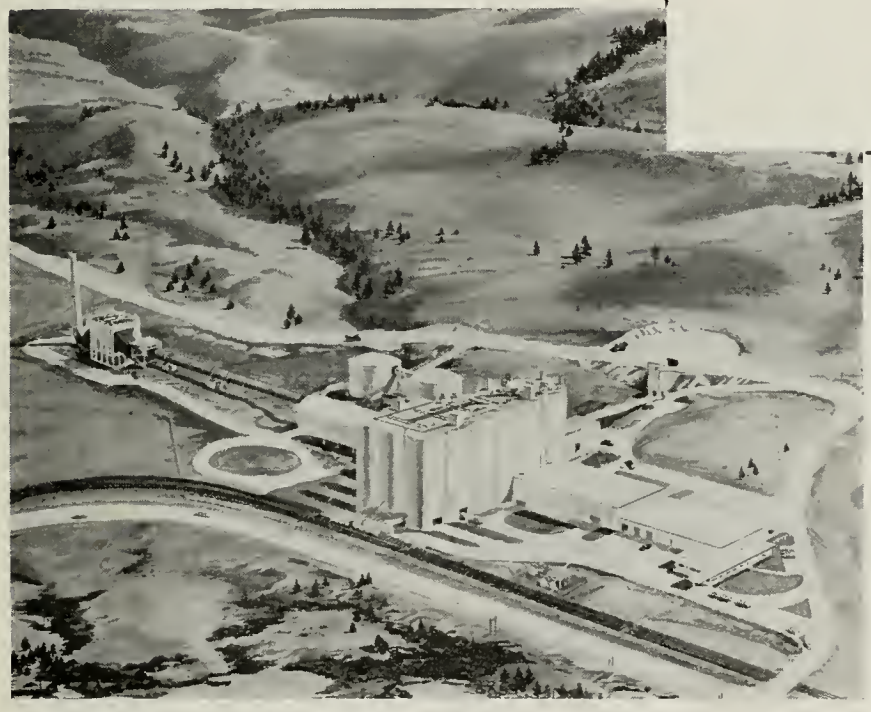
MONTANA *Industrial Horizons*
STATE PLANNING BOARD JANUARY, 1962

Permanente Announces Construction Plans . . .

The company recently released a building schedule for construction of their cement plant in the Helena-East Helena area.



MAP BY DON SULLIVAN, SWCB



Artist's drawing of the Permanente Cement Co. plant to be constructed soon on Prickly Pear Creek, three miles south of East Helena. Sales division for the plant will be headquartered in Helena which is approximately seven miles from the site.

Cement is usually made with a careful blend of limestone and clay or shale. The raw materials are crushed and pulverized in a series of crushers and mills, to an exact formula. The addition of water forms this blend into a thin mud called "slurry" in the wet process of manufacture, such as that which will be employed at the Montana plant. The slurry is stored in the two large storage bins which can be seen to the rear of the main plant in the above drawing.

Next step in the process, the slurry is fed into the huge tubular kiln, left, which will be 450 ft. in length and a minimum of 12 ft. in diameter. As the big tube slowly revolves, the slurry is subjected to intense heat which changes its chemical composition and finally forms into marble-sized glass-hard balls called "clinker." In the final process, the clinker is mixed with a small amount of gypsum and subjected to a final grinding which produces a powder finer than flour or face powder—cement.

Other facilities shown in the drawing are, center, the giant silos of some 20,000 barrels each for storing raw materials and cement, and right, the low buildings which house the mill, the service area, and administrative offices. The structure, far left, between the kiln and stack is the electrostatic dust collector. Circle, center right, cuts into limestone deposit.

Permanente Cement Co., which announced plans to build a plant in Montana last fall, will begin land leveling operations at their site in January and expects to start construction in March.

The new plant will be located on Prickly Pear Creek about 3 miles south of East Helena near the old gold mining town of Montana City.

Site of the plant is on a 470-acre deposit of high-grade limestone. The other main cement component, clay or shale, is also in abundance near the site. Gypsum will have to be shipped in and there are good deposits within a 100-mile radius.

Completion date for construction of the plant is expected to be early in 1963, when Permanente has contracted to begin supplying cement for construction of Yellowtail Dam in southeastern Montana. In addition to supplying 1,300,000 barrels of cement for the dam, the new plant will serve the construction industry in Montana and parts of Wyoming, Idaho, and North Dakota. A sales division covering the new territory will be headquartered in Helena.

Annual capacity of the $9,600,000 plant will be 1,400,000 barrels of cement. It will employ about 100 people, with an annual payroll of about $1,000,000.

Henry J. Kaiser Co., the parent firm of 60 affiliated companies, has some

(Continued on page 4)

1961 Season Sets Record

Big Horn Canning Co., Billings . . . . .

Big Horn Canning Co. plant in Billings

A record packing season was reported for 1961 by the Billings plant of the Big Horn Canning Co.

Their total pack of 141,122 cases (approximately 3½ million cans) was an increase of 35.5 per cent over their 1960 season and 20.4 per cent over their previous record year of 1959.

Items Packed

Items packed by Big Horn include corn and pumpkin, and dry line items such as kidney beans, lima beans, chili beans, pinto beans, and straight Great Northern beans.

All crops are under contract with growers in the Billings area. Last year they had a total of 25 growers participating in contracts with them. Corn and pumpkin totaled 7,287,615 pounds, for which they received $54,000 from Big Horn.

The packing season extends from August through October. During the peak of the season last year they hired 180 people and paid out approximately $44,000 in labor over the three-month period.

Big Horn purchased their Billings plant in 1948 from Midland Canning Corp. At that time the pack was approximately 76,000 cases, or about half of what it is now.

Market Area

Sixty-nine percent of their pack is sold in the Rocky Mountain states of Montana, Wyoming, Colorado, Utah, Idaho, and eastern Washington. The rest goes to secondary markets in California coastal areas and the southern states and also to the federal government.

5 Brands

The canned products are sold under the labels of BIGWIG, the fancy brand; Grade B brands of Lovell Custer, Forest Pride, and Old Yellowstone; and Grade C label of Cowley brand. Some is also packed under a buyer's name and shipped to that individual buyer.

Big Horn anticipates that its 1962 season will equal the 1961 banner year. This represents close to maximum capacity, and any significant increase would require installation of additional equipment and warehouse space.

They also have a canning plant at Cowley, Wyoming, just 40 miles south of Billings.

State Industries Seek Defense Contracts

Kenneth P. Borgen, special consultant with the Office of Naval Material in production, mobilization and planning and a representative of the U. S. Department of Defense, visited Montana again on December 13 and 14 at which time a meeting of interested industrialists was held regarding Montana's participation in defense work.

At the request of Gov. Donald G. Nutter, Mr. Borgen visited Montana last September and proposed a community action program for the state. The purpose of the program is to increase the volume of both commercial and defense business including research and development. It calls for united, cooperative action by industry, communities, and the state.

One of the initial requirements of the program was to conduct a survey of the potential shown by interested industries in the state. Since the program was first announced replies to questionnaires sent small manufacturers by the State Planning Board have been made by 24 firms wanting federal business. Mr. Borgen, after checking the first 17 replies, said all of the firms appear capable of handling defense work at either the prime contract or subcontract level. He noted the 17 firms employ 294 people with a potential employment capacity, using present equipment, of 702 people.

He suggested the resources of these and other interested firms might be pooled to develop a producing team. "I am confident that doors can be opened quicker by united, cooperative action than by individual knocking," said Borgen, who has helped about a dozen communities or states since 1954. He told how such united action has helped other areas. One southwest state which worked out a similar program in 1958 has seen the volume of its federal contracts rise 300 per cent.

Following the advise of Mr. Borgen the State Planning Board is now preparing a booklet showing production of firms which desire defense and other federal contracts. Included in the same directory will be the results of a com-

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Mixed Reaction Greets Silver Order

(The following article appeared in the December 22, 1961 issue of PAY DIRT, the official publication of the Arizona Small Mine Operators Association.)

Some time must elapse before the end results of the President's order halting sales of Treasury silver are seen. Meanwhile, the New York quotation the very next day rose by 9⅜ cents per ounce to $1.0075 per ounce. Washington and New York sources believe the price may settle somewhere between $1.05 and $1.10. Any price above the monetary figure of $1.29 (say $1.30) would cause the Treasury to start selling again to prevent silver dollars from being sold as bullion. The effect upon the coinage of some other countries also could be serious.

Immediately after the order went into effect the London price reached its highest level in 25 years and the New York price the highest in 41 years. Holders of silver stocks and inventories are profiting greatly, but the traders and owners of stocks in mines predominently producing silver were the most immediate benefiters. In a run-away market Sunshine Mining rose to $15 per share; the year's low was $7 per share. Other mines having large silver production possibilities gained in stock values proportionately.

Although silver users for a long time had wanted a free silver market some of them appear to be disgruntled with the rapid increase in price. Silver producers are uniformly happy with the situation, but do not want the Silver Purchase Act repealed as they would lose their 90.5-cent per ounce cushion under prices.

The Commodity Exchange is looking forward eagerly to resuming trading if the silver transactions tax is repealed. President Kennedy has announced that he will request this move of the Congress early in 1962. Futures in Montreal by November 30, 1961, were being quoted as high as $1.12 per ounce for September 1962 delivery.

The Secretary of the Treasury has stated that "The indicated gap between world production and world consumption, apart from changes in inventories, is now running at about 65 million ounces (per year). Thus, unless exceedingly high prices bring large hoards of silver on the market, the future of silver looks bright indeed. These higher prices will bring a welcome increase in revenue to mines where silver is a by-product.

A more somber view of the domestic silver mining situation has been voiced by Simon Strauss of the American Smelting and Refining Company. He feels that prices will have to go to 25 per cent to 30 per cent above the old Treasury price before it will be profitable to open up new mines or to go into old workings.

To sum up the situation we quote the Associated Press: "Producers jubilant—buyers subdued—consumers not immediately affected—prices soar on international markets."

GOVERNOR'S COMMITTEE ADOPTS WATER POLICY

The Governor's Advisory Committee on Economic Studies has just completed a series of hearings extending over several months and has adopted a fourteen-point water policy for the State of Montana, Recognizing that our water and the electrical energy produced therefrom is one of our most vital resources, the committee originally decided the study of water to be of prime significance.

During the series of meetings held over a period of several months, the committee heard opinions and testimony from many water authorities throughout Montana and the United States. On December 1, 1961, the commmittee adopted the following fourteen-point program for the development, protection and management of our Montana water resources:

1. That the agricultural, mining, industrial, and hydroelectric power economy of Montana is largely built upon the recognition of the right to use water as a property right. Large areas of land in our State are admittedly of little value if deprived of water. The right acquired by the appropriation of water has been recognized from the beginning of development of the West as a property right, just as valuable and oftentimes more so, and just as much protected by the law as the title to the land itself.

2. That the State of Montana and its citizens should support the development and wise use of its water resources: first by private action; second by State development; and, when these two are not adequate, through Federal cooperation.

3. That where private rights have been validly established under the State law in the waters of a navigable stream, individuals, businesses, or communities whose rights are diminished as a result of Federal action shall be entitled to just compensation.

4. That where a Federal agency takes an action which damages rights of present owners, such agency should purchase or condemn such rights with the due process and payment of just compensation.

5. That Federal agencies responsible for the administration of Federal projects should comply with applicable State law and procedures for the purpose of obtaining rights to the use of water, subject to the Federal navigation power where applicable.

6. That the Federal Goverment, in planning of projects should cooperate with State and local representatives. In this planning the principles which recognize water rights should be accepted and determinations as to disposition of water should recognize such rights.

7. The right to use underground water is so closely related to surface land titles that any regulations relating to underground water should remain strictly a matter of State concern.

8. That control of water pollution is primarily a State responsibility.

9. That development, preservation and protection of scenic areas and of fish and wild life in connection with our water resource development and use should be in accordance with our State laws and in cooperation with State agencies and local citizens.

10. That the regulation and use of water flowing from or thru reserve lands shall be in accordance with State law.

11. That Federal Power Commission licenses should be required to comply with State laws relating to the use of water in navigable streams, provided the Congress may provide otherwise in spectific cases.

12. That we affirm the declaration of Congressional policy found in the Flood Control Act of 1944 as follows: "The use for navigation, in connection with the operation and maintenance of such works herein authorized for construction, of waters arising in states lying wholly or partly west of the ninety-eighth meridian shall be only such as does not conflict with any beneficial consumptive use, present or future, in states lying wholly or partly west of the ninety-eighth meridian, of such waters for domestic municipal, stock water, irrigation, mining, or industrial purposes."

13. That the creating of Federal regional authorities for the control of water as proposed in S.2246 and H.R.8177 or any similar legislation as a substitute for interstate compacts is opposed as being an infringement upon State control over water resources.

14. That every effort be made to secure protection for Montana water users in present and future Federal projects through inclusion in their authorization geographical preference clauses.

PERMANENTE ANNOUNCES

(Continued from page 1)

180 plants and projects in operation all over the world; from engineering and construction work on nuclear reactors in the Antarctia and South Vietnam to auto assembly plants in Nigeria and Iran, just to mention a very few.

W. A. MARSH
President of Permanente Cement Co.

The Montana plant brings a vast new area into the Permanente marketing family in the United States. Their nearest cement plant at present is in Bellingham, Washington.

The company contacted the State Planning Board early in May of last year and the staff has worked closely with Permanente personnel from Oakland in helping finalize arrangements for construction of the plant. Montana is indeed proud to be added to the Kaiser and Permanente map.

* * * *

The Bureau of the Census reports that 38,575 Montanans walked to work in 1960; 140,717 used private cars or auto pool.

Kaiser Center, fronting on Lake Merritt in Oakland, Calif., is the international headquarters for the 60 affiliated Kaiser companies. The gently curving, 28-story aluminum and glass structure, with nearly one million square feet of space, is the largest office building west of Chicago.

State Industries Seek Defense Contracts

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munity inventory survey which is presently in process and is being conducted jointly by the Industrial Committee of the State Chamber of Commerce and the Planning Board.

Through the efforts of Mr. Borgen, Dr. Donald K. Weaver, director of the Montana State College Electronics Laboratory, and Director Tom Collins attended the Navy Research and DevelopmentClinic last September at Raton, New Mexico. A similar clinic will be held in Seattle during September of 1962, and in 1963 it is proposed for Montana. Such meetings bring together between 500 and 600 of the top research scientists in the country, and should prove an excellent opportunity for Montanans to sell the potentials of our state.

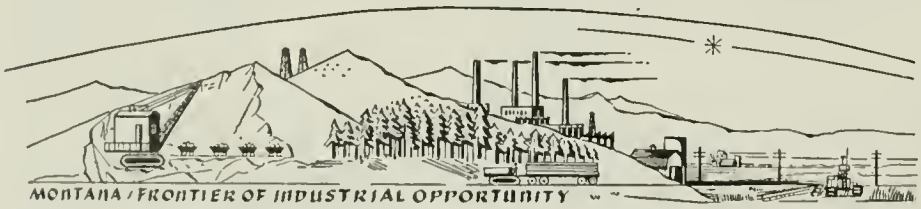
Timberweld Qualifies Under AITC Program

Timberweld Manufacturing of Columbus, fabricators of glue laminated wood beams, trusses, and arches, has qualified and been licensed under the new American Institute of Timber Construction quality control and inspection program.

In the past, evaluating the quality of laminated material lay almost entirely in the reputation, experience, and ability of the producer. Now, under the AITC quality control and inspection program started in December, the supplier is guaranteed as a qualified producer and periodic inspection of all qualified plants assures maintaining that quality. Each laminated unit must bear the producer's quality mark which is issued only to licensed producers.

This newest recognition of the success of Timberweld strengthens the argument for establishment of community development organizations. In 1956 a group of local businessmen formed Columbus Enterprises, Inc., for the purpose of luring industry to Columbus. They bought a government building that was up for sale, found a small firm building single-log beams that was expanding and needed more room, and sold $100,000 worth of stock to members and Columbus citizens. They toured West Coast wood manufacturers to study their plants and decided that longer beams were most in demand and decided to produce laminated beams. A few months after formation of the development group, Timberweld Manufacturing Co. was incorporated and in business in Columbus.

They now employ about 15 permanent people, and up to 30 during the summer months. The beams have been marketed in 20 states, even as far away as Texas, Oklahoma, New York, and Virginia. The longest straight beams supplied to date were 100' members for an A-frame pulp storage warehouse completed this summer for Holly Sugar Co. in Hardin. There is an increasing demand for the glulam beams, and they will soon have salesmen placed in Minneapolis, Denver, Salt Lake, and Omaha, in addition to those covering Montana and nearby states.



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BUY MONTANA PRODUCTS — BUILD MONTANA JOBS

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Reports on business concerns appearing in this publication do not constitute an endorsement of either the concern named or its products. Statements in this newsletter do not reflect Board policy unless official action is reported.

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